Administrator - Acting

(775) 687-4670

Administration Facsimile 687-5856

Water Quality Planning Water Pollution Control Facsimile 687-4684

Mining Regulations & Reclamation Facsimile 684-5259

State of Nevada KENNY C. GUINN Governor



ALLEN BIAGGI, Director -acting

Air Pollution Control Air Quality Planning Facsimile 687-6396

Waste Management Federal Facilities

Corrective Actions Facsimile 687-8335

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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138 Carson City, Nevada 89706

July 15, 2004
Notice of Proposed Action

The Administrator of the Division of Environmental Protection gives notice that an application for the renewal of a Water Pollution Control Permit for the Jerritt Canyon Mine, a facility utilizing chemical methods to extract gold and other metals, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for this renewal of Water Pollution Control Permit (WPCP) NEV0000020 is:

Queenstake Resources USA, Inc. Jerritt Canyon Mine HC-31, Box 78 Elko, NV 89801

The Jerritt Canyon Mine is located in north central Elko County, approximately 46 miles north of Elko. The mine is near the geographic center of the Independence Mountain Range and within confines of the Humboldt-Toiyabe National Forest. The mine and support facilities are located within portions of:

T40N, R50E, Sections 1-36, Mount Diablo Baseline and Meridian (MDB&M);

T41N, R53E, Sections 22-36 MDBM;

T41N, R54E, Sections 19-22 and 27-34 MDB&M;

T40N, R54E, Sections 3-9 MDB&M;

T39N, R53E, Sections1-16 and 19-22 MDB&M;

T39N, R54E, Sections 1-6 MDB&M.

The Jerritt Canyon operation comprises 12,433 acres of fee land, 934 acres of patented claims, and 9,911 acres of leased fee land with mineral rights. All mining activity and waste rock disposal is performed on public land, while the beneficiation, tailings

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impoundment, and administrative activities are located on private land. The present mine owner is Queenstake Resources USA, Inc.

The Jerritt Canyon Mine currently consists of four underground mining operations and above ground stockpiles which supply 1.5 million tons per year of ore to the process facility. The facility utilizes conventional cyanide technology to extract (dissolve or leach) gold from oxide ores and activated carbon to recover the gold and other metals from solution. The permitted facilities are designed and constructed to operate and close without any discharge or release from the fluid management system except metrological events that exceed the design storm limit.

The Administrator is constrained to issue the Water Pollution Control Permit or to deny the application. The Administrator has made the tentative determination to renew permit.

Persons wishing to comment upon the proposed permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to the Nevada Administrative Code, NAC Chapter 445A, must submit their comments, objections, or requests no later than 5:00 PM on the 30th day following the date of publication of this notice (by August 16, 2004) to:

Division of Environmental Protection Bureau of Mining Regulation and Reclamation Capitol Complex Attn: Rob Kuczynski, P.E. 333 W. Nye Lane, Room 138 Carson City, NV 89706-0851

All comments or objections received during the public notice period will be considered in the final determination regarding this permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Rob Kuczynski, at (775) 687-9441, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at http://ndep.nv.gov/bmrr/bmrr01.html.